



VILLAGE OF GLENCOE

PLACES FOR EATING TAX

675 Village Court, Glencoe, Illinois 60022

p: (847) 835-4113 | finance@villageofglencoe.org | Follow Us: @VGlencoe

www.villageofglencoe.org

Places for Eating Tax | Frequently Asked Questions

What is Places for Eating Tax (PFET)?

The Village of Glencoe Places for Eating Tax (PFET) is a 1% tax on the purchase price of food or alcoholic liquor and non-alcoholic beverages sold for immediate consumption.

When will the PFET take effect?

January 1, 2021 (Taxes from January sales are due by February 20, 2021).

Which establishments in Glencoe will be impacted by the PFET?

All premises located within the corporate limits of the Village where prepared food is sold at retail for immediate consumption, ***with seating or counters provided to customers for consumption of said prepared food on the premises***, whether consumed on premises or not, and whether or not such places for eating use is conducted along with any other users in a common premise or business establishment are required to remit PFET to the Village of Glencoe. Specific examples include the following:

- Restaurants or eating places, fast food outlets
- Catered events held on private and corporate property and at event venues
- Cafeterias, cafes, delicatessens, sandwich shops, coffee shops
- Grocery stores¹
- Banquet facilities, catering facilities & services
- Bakeries and confectioners
- Golf courses, country clubs, tennis clubs, fitness clubs
- Convenience stores and Gas stations¹
- Festival food & beverage vendors¹

¹*Provided that this establishment maintains seating for immediate consumption*

On what sales is the Places for Eating Tax assessed?

Each establishment that meets the criteria noted above must collect and pay the PFET if you make retail sales of prepared food and non-alcoholic drinks that have been prepared for immediate consumption, whether on or off the premises. The tax will also be collected on alcoholic beverages that have been prepared for immediate consumption. Examples of taxable sales include but are not limited to:

- All food and beverage (alcoholic and non-alcoholic) served in restaurants and by caterers; including carry out orders and delivery orders
- All restaurant style food sold at grocery stores and similar places of eating, such as prepared chicken, ice cream cones and hot soup.
- All restaurant style food sold at convenience stores, such as hot dogs, donuts, and nachos, provided seating is available for consumption.
- All beverages served to diners in a restaurant and to patrons in a bar/tavern.

- Brewed coffee, fountain drinks and other dispensed beverages sold for immediate consumption on or off premises in a restaurant or fast food establishment.

Are there any establishments that are exempt from the tax?

This tax is not imposed on the following:

- Vending machines
- Daycare centers and nursing homes providing food and beverages in a contractual agreement.
- Other facilities of not-for-profit associations or corporations.
- Complimentary food and beverages with a service.

What transactions are exempt from the PFET?

Products that are prepared off-site in packages ready for retail sale and not for immediate consumption are exempt. Examples of products that are exempt from the Places for Eating Tax include, but are not limited to:

- Pre-packed pizzas or other frozen food products sold in a grocery store or convenience store.
- A can of soda, six-pack of beer or wine from a cooler or convenience store.
- General grocery items such as bread, milk, and eggs that are in their original packaging and not prepared for immediate consumption.
- Items **sold** by a non-profit group (Provided a copy of the group’s sales tax exemption letter issued by the Illinois Department of Revenue is filed with the Glencoe Finance Director). May include: Government entities, hospitals and medical treatment facilities

Do I have to register my business as a prepared food facility subject to the PFET?

Yes. Every owner and operator of any prepared food and/or beverage facility must register as a retailer before opening for business. This is a one-time registration that will remain effective unless there are changes of business ownership, management or location.

Who is liable for payment?

The ultimate liability for payment of the tax is borne by owner of a PFET establishment. However, the owner of each establishment should collect and account for the tax at the time of purchase. At their sole discretion, owners may elect to pay this tax without collecting from their customers. Please note, any owner found to be violating or refusing to comply with the tax will be subject to penalties and fines.

Is gratuity to be included in the cost of the meal?

No. The tax is paid on purchase price only. Purchase price does not include amounts paid as gratuities for the employees.

How will this tax be applied to a Places for Eating purchase?

Example: \$150 dinner & drinks, customer presents a \$50 coupon:

Total Bill		\$150.00
Less: Coupon or Discount	-	50.00
Equals: Purchase Price		<u>\$100.00</u>
Add: Sales Tax (9%)	+	9.00
Add: Food & Beverage Tax (1%)	+	1.00
Equals: Total Sale		<u>\$110.00</u>
Add: Gratuity (<i>for illustrative purposes</i>)	+	22.00
Equals: Total Customer Payment		<u>\$132.00</u>

How do I show the PFET on my retail receipts?

You may either separately state the PFET or include the PFET in combination with other taxes on the receipts you give your customers.

What form must I use to report the PFET?

The Village has provided a paper copy of the PFET return form in this packet and an electronic return form is also available on Glencoe's website. Please note, a copy of the ST-1 or ST-2 form filed with the Illinois Department of Revenue must also be included with your return.

Where do I file my return?

You should mail or deliver your Places for Eating Tax Return and payment to the Village at the address below. Alternatively, you may also drop your payment in the white mailbox outside of Village Hall after hours.

Village of Glencoe
Attn: Finance Department
Places for Eating Tax Return
675 Village Court
Glencoe, Illinois 60022

When is my monthly PFET return and payment due?

The returns and tax payments shall be due and owing as of ***the twentieth day of the second month following the month covered by said return*** (i.e. taxes from January sales are due by February 20). The sworn PFET returns must also be accompanied with a copy of the Form ST-1 filed with the Illinois Department of Revenue covering the same reporting period.

How will payment be submitted?

PFET will be submitted to the Village by check, money order, or cash on a monthly basis along with the PFET form, plus additional ST1 documents (State tax filing form).

How do I file if I have more than one site?

If you make retail sales from more than one site you must file a separate PFET Return for each site.

Must I file the PFET Return even if I have no sales to report?

Yes. You must file a signed return form for each monthly reporting period regardless of whether or not there are receipts to report. You may file a "zero" return.

What if I do not file and pay by the due date?

If a PFET return is not filed by the due date, interest of one percent per month (1.0%) shall be charged on the outstanding balance. Continued non-compliance with this tax may be subject to a fine of not less than two hundred dollars (\$200.00) nor more than seven hundred fifty dollars (\$750.00) for the second and each subsequent offense in any 180-day period.

Do caterers have to pay the PFET?

Yes. Catering for all events held within the Village limits is subject to the PFET, regardless of where the caterer's place of business is located. Events catered by Glencoe caterers ***outside*** the Village limits are ***not*** subject to the tax. Events ***inside the Village limits are subject to the PFET***, even if the caterer's location is outside of Glencoe. The tax does not apply to goods associated with the event, such as linens, china, etc. if those items are distinctly priced separately in the event contract.

When a caterer has a dinner at a not-for-profit facility, is the PFET applied?

Yes. Catering for all events held in the Village is subject to the PFET, regardless of where the caterer's place of business is located, unless the food is prepared directly by a local government agency. However, if the event is paid for by a not-for-profit agency, and the not-for-profit agency is sales tax exempt, then the PFET does not apply.

What other communities impose a Places for Eating Tax?

Numerous communities throughout the State of Illinois impose a Places for Eating Tax (*also called "Food and Beverage Tax" in home rule communities*) typically at a rate between 1-2% of gross sales.

Communities proximate to the Village of Glencoe with a Places for Eating Tax include: Arlington Heights (1.25%), Bannockburn (1%), Buffalo Grove (1%), Deerfield (1%), Highland Park (1%), Lake Bluff (1%), Libertyville (1%), Lincolnshire (1%), Skokie (2%) and Wheeling (1%).

If I have questions, who should I contact?

Please call Julie Geyer, Accounts Receivable Coordinator at 847-835-4113.

Please note: the information above may be subject to future changes. Please monitor the Village of Glencoe website for the most current and updated information.